## Remarks

In the May 5, 2007 Office action, claims 4 and 5 were rejected under 35 U.S.C. 103(a) as being unpatentable over United States patent 5, 826, 241-Stein et al (hereafter Stein) in view of United States patent 6,999,943- Johnson et al (hereafter Johnson).

The Office action takes the position that the Stein patent discloses many of the elements of the invention defined in the rejected claims but also admits that Stein *"does not disclose seller-entered information unique to a specific off-line method being modeled."*

The concept of allowing a seller to define a particular off-line payment model by entering data into a Payment Instruction data structure is a key element of Applicants' invention as defined by claims 4 and 5. Therefore, the admitted deficiency in the teachings of the Stein patent is a significant one.

The Office action tries to remedy the admitted deficiency in Stein by noting that the Johnson patent mentions off-line payment models, such as Cash-on-Delivery (COD) or loyalty point models and then by extrapolating those mere mentions into a conclusion that such a mention would have made it obvious to one of ordinary skill in the art at the time the invention was made to modify Stein's system to enable support for the off-line payment protocols mentioned by Johnson.

The extrapolation from a mere mention of an off-line payment model to a conclusion of obviousness is inappropriate. Neither the Stein patent nor the Johnson patent contains any teachings as to how to set up off-line payment models.

The Stein patent relates specifically to a payment system that can be used to enable one Internet user to make payment to another Internet user for information products of value that can be electronically transferred over the Internet. An objective of the Stein patent appears to be to handle payments online as much as possible. It would be counter to that objective for Stein to suggest or promote the use of off-line payment models.

The Johnson patent, on the other hand, has no teachings as to why or how off-line payment models may be defined. The Johnson patent deals specifically with methods and systems which will enable a merchant to maximize the amount of money the merchant can make when dealing with a customer who can pay for transaction in more than one way. In a nutshell, a merchant using the Johnson system takes into account the different ways a customer already has available to pay for a transaction (e.g., credit card, debit card, cash, home-equity line of credit, etc.) and then tries to encourage the customer to use the payment mechanism that is most profitable for the merchant.

The fact the Johnson patent merely mentions that an off-line payment mechanism is one of the ways a customer might pay for a transaction does not mean that Johnson teaches how a merchant can set up that off-line payment mechanism.

Neither Stein nor Johnson in any way teaches or suggests a payment management system including seller-defined storage areas in a Payment Instruction data structure that would enable a seller to provide information for a specific off-line method being modeled, as specifically recited in claim 4. In the absence of any such teaching in either patent, it is submitted that an obviousness rejection of claim 4 based on a hypothetical combination of the two patents is improper and unsustainable.

Claim 5 is dependent on claim 4 and is allowable for at least the same reasons as claim 4.

It is respectfully requested that the rejection of claims 4 and 5 under 35 U.S.C. 103(a) be withdrawn and that this application be passed to issue.

Respectfully Submitted,

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